



PUBLIC MEETING AGENDA

California Department of Managed Health Care

**PacifiCare of California's Notice of Material Modification
Proposing an Indirect Change of Control that would result from a merger of
PacifiCare Health Systems, Inc. into a UnitedHealth Group, Inc. subsidiary**

**August 25, 2005
10:30 A.M.**

**MEETING LOCATION
City of Santa Ana Council Chambers
20 Civic Center Plaza
Santa Ana, CA 92702**

Meeting Chair: Lucinda ("Cindy") A. Ehnes, Director
Department of Managed Health Care

Public comments/information will be taken on the following topics:

- I. Will the PacifiCare-United merger facilitate or impede the ability of PacifiCare plans to maintain appropriate administrative and organizational capacity as required by the Knox-Keene Act?**

Facilitators: John M. Puente, Chief, Division of Licensing
April C. Alexander, Staff Counsel, Division of Licensing

- A. Overview of Current Knox-Keene Act Requirements (See Appendix)
- B. PacifiCare presentation on its ability to maintain sufficient administrative and organizational capacity under the Knox-Keene Act
- C. Public Comment
- D. PacifiCare/United Response

II. Will the PacifiCare-United merger reduce or generate additional administrative expenses for PacifiCare in violation of the Knox-Keene Act?

Facilitators: John M. Puente, Chief, Division of Licensing
April C. Alexander, Staff Counsel, Division of Licensing

- A. Overview of Current Knox-Keene Act Requirements (See Appendix)
- B. PacifiCare presentation on its compliance with the financial requirements of the Knox-Keene Act
- C. Public Comment
- D. PacifiCare/United Response

III. Will the PacifiCare-United merger facilitate or impede the ability of PacifiCare of California to remain compliant with the financial requirements of the Knox-Keene Act?

Facilitators: John M. Puente, Chief, Division of Licensing
April C. Alexander, Staff Counsel, Division of Licensing

- A. Overview of Current Knox-Keene Act Requirements (See Appendix)
- B. PacifiCare presentation on its compliance with the financial requirements of the Knox-Keene Act
- C. Public Comment
- D. PacifiCare/United Response

IV. Will the PacifiCare-United merger have a negative or positive impact on United and its ability to remain financially viable and to not negatively impact California operations?

Facilitators: John M. Puente, Chief, Division of Licensing
April C. Alexander, Staff Counsel, Division of Licensing

- A. Overview of Current Knox-Keene Act Requirements (See Appendix)
- B. PacifiCare/United Presentation on United's financial viability and potential negative impacts on California operations
- C. Public Comment
- D. PacifiCare/United Response

V. Will the PacifiCare-United merger have a negative or positive impact on the Knox-Keene licensed PacifiCare Health Systems, Inc. and UnitedHealth Group, Inc. specialized plan affiliates?

Facilitators: John M. Puente, Chief, Division of Licensing
April C. Alexander, Staff Counsel, Division of Licensing

- A. Overview of Current Knox-Keene Act Requirements (See Appendix)
- B. PacifiCare presentation on the impact of the merger on PHS and UHG specialized plan affiliates
- C. Public Comment
- D. PacifiCare/United Response

VI. Will the PacifiCare-United merger have a negative or positive impact on the California health care market and consumers' ability to obtain both existing and new affordable health care products and programs?

Facilitators: John M. Puente, Chief, Division of Licensing
April C. Alexander, Staff Counsel, Division of Licensing

- A. Overview of Current Knox-Keene Act Requirements (See Appendix)
- B. PacifiCare presentation on the merger's impact on the California health care market and consumers' ability to obtain affordable health care products and programs
- C. Public Comment
- D. PacifiCare/United Response

VII. Closing

*In limited occurrences or due to unforeseen circumstances, there may be a change to the order of agenda items. The Department reserves the right to ask questions and/or comment during any part of the meeting.

Special accommodations for persons, such as sign language interpreter services, are available for persons attending the meeting. Please request any special accommodation(s) at least three (3) days in advance of the meeting. Please direct requests for accommodations to Theresa L. Grace, (916) 445-7401, tgrace@dmhc.ca.gov or to the Department of Managed Health Care, 980 9th Street, Suite 500, Sacramento, CA 95814.